

HOUSE FINANCE COMMITTEE

April 13, 2021

9:02 a.m.

9:02:03 AM

CALL TO ORDER

Co-Chair Merrick called the House Finance Committee meeting to order at 9:02 a.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair
Representative Kelly Merrick, Co-Chair
Representative Dan Ortiz, Vice-Chair
Representative Ben Carpenter
Representative Bryce Edgmon
Representative Andy Josephson
Representative Bart LeBon
Representative Sara Rasmussen
Representative Steve Thompson
Representative Adam Wool

MEMBERS ABSENT

Representative DeLena Johnson

PRESENT VIA TELECONFERENCE

Doug Vincent-Lang, Commissioner, Department of Fish and Game; Rachel Hanke, Legislative Liaison, Department of Fish and Game.

SUMMARY

HB 79 SALTWATER SPORTFISHING OPERATORS/GUIDES

HB 79 was HEARD and HELD in committee for further consideration.

HB 80 SPT FSH HATCHERY FACIL ACCT; SURCHARGE

HB 80 was HEARD and HELD in committee for further consideration.

Co-Chair Merrick reviewed the meeting agenda.

#hb79

HOUSE BILL NO. 79

"An Act relating to salt water sport fishing operators and salt water sport fishing guides; and providing for an effective date."

9:03:12 AM

DOUG VINCENT-LANG, COMMISSIONER, DEPARTMENT OF FISH AND GAME (via teleconference), introduced the legislation. He stated that the bill had come before the committee the previous year but due to the pandemic it had not moved forward. He read from prepared remarks:

With this bill the department would like to reinstate the saltwater licensing and reporting requirements. Before an amendment in House Fisheries, it did not reinstate freshwater licensing and reporting requirements because the department does not see immediate need for this kind of reporting in freshwater at this time, which is what initially caused some of the contention with this bill. However, in House Fisheries the bill was amended to require licensure of freshwater operators and guides, but not require reporting by them. This is accompanied by reductions in licensure fees for both freshwater and saltwater guides. This change has caused some concern with freshwater operators and guides. However, before I go any further, let me provide you with some legislative background with respect to this issue.

The sportfish guide and operator licenses were first adopted in the 2003 and 2004 legislative session and took effect in 2005 and remained in effect through December 31, 2014, when they expired due to a sunset clause. This legislation was passed based on the urging of both fresh and saltwater guides at the time who were looking to professionalize their industries. During the 2015/2016 legislative session, only the saltwater licensing and reporting requirements were reinstated and included a sunset of 2018.

The legislature stripped the freshwater piece from this legislation and the department supported this as we were not using freshwater information for in season management assessment of fisheries, and we were seeing minor logbook violations. For example, an error in the reporting of the number of grayling released resulted in loss of concession permits, notably on federal lands. This legislation sunset in 2018. The legislature provided some bridge funding through UGF, but that has since gone away. As such, we have no legislation in place to collect fees to pay for the marine logbook program. Logbook data has been collected by the department from saltwater sportfishing businesses and guides since 1998 and is critical to upholding the state's U.S./Canada Pacific Salmon Treaty obligations, providing data to the International Pacific Halibut Commission crucial to making allocation decisions. It is also critical for the North Pacific Fisheries Management Council (IPHC) for managing federal fisheries, avoiding duplicative reporting mechanisms and undue burden in the charter fishing industry.

Logbook data also supports a myriad of additional critical uses, including but not limited to state fisheries monitoring and management, advisory announcements and emergency orders, the Alaska Board of Fisheries process, advisory committees, external communication, statewide harvest survey estimation verification, fisheries disaster declarations, federal subsistence board processes, land use and permitting, operational planning and exemptions from NOAA saltwater registry, all of which are included in the logbook use summary provided in your packet.

9:06:29 AM

Commissioner Vincent-Lang continued to read from prepared remarks:

Let me give you an example of the utility of this information in the management of saltwater fisheries. Last year we saw significant decreases in tourism across Alaska, which resulted in significant reduction in saltwater charter boat fishing. We use data from the logbook program to show that we would be significantly below our quotas for halibut and were

able to use this data to relax the regulations enacted by the IPHC. This resulted in additional opportunity participation for halibut charter fisheries, most of which helped Alaskans. This provided a needed economic boost to the charter fisheries and the local economies, as well as an opportunity for Alaskans to put some food in their freezers.

Fees collected as part of this bill would provide data necessary to manage marine charter fisheries of Alaska. These fisheries support somewhere in the neighborhood of 250,000 angler days of effort and contributed over \$1.5 million to the state's economy.

In sum, the department supports this bill and sees it as a necessary tool to fund and manage saltwater charter fisheries. We urge your support in moving this bill out of committee. Thank you. If the committee would like, Ms. Hanke can walk you through a sectional analysis of the bill and I am more than happy to try to answer any questions you may have.

[9:07:39 AM](#)

Co-Chair Merrick asked for a review of the sectional analysis.

RACHEL HANKE, LEGISLATIVE LIAISON, DEPARTMENT OF FISH AND GAME (via teleconference), reviewed a sectional analysis for the bill.

Section 1

Establishes license fees for sport fishing guides and operators.

- Guide license - \$100
- Operator license - \$200
- Operator and guide combined license - \$200

Section 2

Adds new Article to AS 16.40 that

- AS 16.40.262 - provides stipulations for the sport fishing operator license and defines the license type
 - o Includes requirements such as a business license and general liability insurance

- AS 16.40.272 - provides stipulations for the sport fishing guide license and combined operator guide license, defines both license types
 - o Includes requirements such as a current sport fishing license and first aid certification
- AS 16.40.282 - establishes the logbook reporting requirements for saltwater guides and operators
- AS 16.40.292 - establishes penalties for violations the of the chapter
- AS 16.40.301 - defines "sport fishing guide" and "sport fishing guide services".

Section 3

Adds salt sportfishing operator and guide license to AS 25.27.244(s)(2) which defines "license" in statutes regarding the Child Support Services Agency.

Section 4

Uncodified law directing the Department of Fish and Game to prepare a report for the legislature proposing solutions to gathering harvest data for the saltwater rental and unguided fishing industry, due December 1, 2022.

Section 5

Effective date of January 1, 2022.

[9:09:40 AM](#)

Representative Josephson was trying to understand what the absence of the logbook data looked like. He thought there must have been some reporting requirement for the department to know how the guides were performing and what they were taking. He thought there was some obligation for guides to report success and failure.

Commissioner Vincent-Lang answered that when the logbook program had sunset and funding had gone away, the department recognized the necessity of trying to collect the information and had adopted companion regulations through the Board of Fisheries. The department had been funding the collection of the information with internal dollars. It was the department's goal to get back to a user-pay system from the logbook program. He relayed that in the past year, the Sport Fish Division had taken a large hit in license fees going into the Fish and Game Fund due

to the COVID-19 pandemic and loss of tourism across the state. The department was looking for a way to fund the unfunded mandate it had to collect the information through a treaty and licensing program, which was generally supported by the marine sportfishing industry in Alaska.

Representative Josephson asked about the lost federal concession. He thought it sounded bad. He was familiar with a federal concession related to hunting, but less so with fishing. He asked for detail.

Commissioner Vincent-Lang answered there had been minor violations occurring with freshwater fishing some areas of freshwater occupied by federal land. He explained that when there were two to three violations, even if they were minor, it set the state up to potentially lose its concession program on federal lands. He remarked that it was probably a good thing to have happen if the violations were major; however, some of the cases had been very minor such as the number of grayling released by an angler or failure to account for the number of rainbow trout released. He explained that the department had been in a position where its logbook program (that freshwater guides were required to use) was used by federal officers to cite guides. He explained that the citations had been used against the guides in terms of concession programs on federal lands.

Commissioner Vincent-Lang reported that the department was also seeing issues in state waters such as the Kenai River, where minor violations were being used by the Department of Natural Resources to effect business operations. He clarified that if DFG needed the information it would be one thing, but it had not been using the information in freshwater for in-season management purposes.

[9:13:01 AM](#)

Representative Thompson asked for verification that the state had been providing the logbooks at its own expense.

Commissioner Vincent-Lang answered in the affirmative. He relayed that DFG was seeking some additional federal funding and may be successful in the future, but it was currently uncertain how much the federal government would continue to contribute to the programs.

Representative Thompson asked for verification that the department was providing the logbooks in FY 21, which was the reason for the January 1, 2022 effective date (when new licenses would come out).

Commissioner Vincent-Lang replied in the affirmative. He elaborated that DFG was trying to streamline the program to be as cost efficient as possible by making the logbooks electronic.

Representative Carpenter asked where the funding for the program was currently coming from. He asked about the current cost to the state.

Commissioner Vincent-Lang answered that the funds were coming from the Fish and Game Fund matched by [federal] DJ [Dingle Johnson] funds. He reported that the bill would not cover the entire cost of the logbook program. He believed the program cost about \$500,000. He clarified that the total cost of the freshwater component to run the logbook program was about \$650,000.

Representative Carpenter asked about alternatives available that would provide the funds necessary to address the problem.

Commissioner Vincent-Lang answered that DFG was seeking additional funding through the halibut commission or the North Pacific Fisheries Management Council because some of the information collected was used for those fisheries; however, DFG could not rely on the organizations to cover all of the funding because some of the information on rockfish and other species was not necessarily covered by the halibut treaty or the Pacific Salmon Treaty. He reiterated that DGF was trying to seek additional funding to minimize the impact to the industry; however, the department was never certain whether the federal funding commitments would be followed through on an annual basis.

Representative Carpenter asked about the other funding alternatives aside from taxing sport fish guides.

Commissioner Vincent-Lang replied that they would likely have to fund the program with the Fish and Game Fund matched with DJ funds.

[9:16:31 AM](#)

Representative Josephson asked if the bill would not fully fund the logbook program because the previous committee had reduced the license fees.

Commissioner Vincent-Lang replied that it was part of the answer. Additionally, DFG was trying to absorb some money out of the federal government to pay for the treaty obligations on halibut and salmon treaty. The department expected to recover some of the fees; therefore, the fee increase in the bill had been reduced to what the department believed was non-recoverable, but still necessary for state management.

9:17:16 AM

Representative Carpenter observed that the proposal would require a registration or licensing fee for sportfish guides only, which reflected a tax on one user group. He highlighted an alternative way to raise the money that would be spread across all users. He suggested a \$1 increase across all fish licenses to generate the \$650,000 needed. He believed it was an alternative way to arrive at the same conclusion. He stated that as written, the bill did not generate the needed amount. He asked if the department had explored other ways to fund the program with state dollars.

Commissioner Vincent-Lang answered that the department had considered raising license fees in general; however, it presented a situation where people who never saltwater fished would have to pay for the saltwater fishing requirements. The department had received general acceptance of the proposal to increase license fees to pay for the program as it was impacting guides' industry and clients. He noted there were a few people who were opposed to the proposal. He remarked that the fee could be broader, but at that point there started to be opposition from people who never went fishing in saltwater. He explained that DFG tried to make the fee as user-based as possible.

Representative Carpenter asked if the bill charged a license fee to freshwater guides.

Commissioner Vincent-Lang answered that the bill had been amended in the House Fisheries Committee to require licensure of both freshwater and saltwater guides and

operators, but it would not require the reporting by freshwater guides. He explained that it had not been the governor's intent with the bill to only have licensure of saltwater guides.

Representative Carpenter thought there was a disparity or unfairness in the bill where it forced people to pay a tax who would not benefit. He referenced an argument that a smaller tax on a broader audience should not be considered for a similar reason. He thought the topic should be given further consideration.

[9:20:26 AM](#)

Representative Rasmussen thought the direction the department had taken was appropriate. She shared that she had only fished in saltwater a handful of times, and she regularly fished on the Kenai River in the summer. She did not think it made sense to have Alaskans who were not using the fishing areas to pay anything. She asked if saltwater sportfish operators typically served mostly tourists or Alaska residents as well.

Commissioner Vincent-Lang answered that it varied by region. He elaborated that in Southeast Alaska there were a lot of locals using guides to fish, whereas in Southcentral the percentage was about 50/50 residents versus nonresidents. He added that in areas such as Valdez, the clients were primarily residents.

Representative Carpenter asked about the percentage of revenue raised by resident and nonresident fishing licenses.

Commissioner Vincent-Lang answered that about 80 percent of the incoming fees to the Fish and Game Fund were from nonresidents and 20 percent were from residents. The license fees under the bill would be identical regardless of residency because the responsibility of paying for the reporting was placed on the business and operators.

Representative Carpenter stated his understanding that the administration wanted to charge a few operators a license fee of \$100 to \$200, which would fall completely on Alaskans versus a broader fee where 80 percent of the money would be generated by out-of-state residents.

Commissioner Vincent-Lang answered that the bill would place the licensing requirements equally on the industry for residents and nonresidents, as opposed to placing the licensing fee or fee for the logbook program across the broad spectrum of Alaskan fishermen where most of the fees would be collected by nonresidents who may or may not be fishing in saltwater.

HB 79 was HEARD and HELD in committee for further consideration.

#hb80

HOUSE BILL NO. 80

"An Act establishing the sport fishing hatchery facilities account; establishing the sport fishing facility surcharge; and providing for an effective date."

[9:23:51 AM](#)

DOUG VINCENT-LANG, COMMISSIONER, DEPARTMENT OF FISH AND GAME (via teleconference), shared that the governor's bill was supported by the department and was one of its session priorities. He read from a prepared statement:

A little background before I begin will add some needed perspective. In 2005, the legislature approved a bond measure to construct two sportfish hatcheries, the William Jack Hernandez hatchery in Anchorage and the Ruth Barnett hatchery in Fairbanks. I was involved in the construct and passage of this legislation.

To receive the bond, the Department of Fish and Game had crafted a repayment plan that was unprecedented. A surcharge was added to sportfishing licenses, nearly all of which went directly to the repayment of the bond, less \$500,000, which went to Southeast Alaska annually for hatchery production since this area was not serviced by the two bonded hatcheries, yet fishermen paid the surcharge. No general fund dollars were used to pay back the bonds. Sport angler dollars matched by federal DJ funds paid the bill and the bonds were principally paid for by nonresidents. Let me repeat this. We built two state-of-the-art hatcheries using no general fund receipts and the license fee surcharge used to pay the bonds was

overwhelmingly collected from nonresidents. This unique plan worked so well that the department paid this bond back five-years early in calendar year 2020. As a result, the surcharge, and all associated statutes sunset on December 31, 2020.

With the loss of the surcharge however, we have ongoing maintenance obligations with these hatcheries. Examples include installation of PFAS filters, installation and start up, testing of a third production well, and purchase and installation of UV disinfection units at the Fairbanks hatchery. At the Anchorage hatchery, examples include evaluation, design, and construction of a formal concentrated effluent disposal system, boiler system upgrade and replacement, oxygen system upgrade and replacement, and well development.

This legislation would establish a funding source to ensure that these long-term deferred maintenance costs are covered. We could pay for this using Fish and Game Fund money, but this would come at the expense of other projects as these funds are already fully allocated. Additionally, upon repayment of the bond, there was an immediate loss of \$500,000 funding impact to Southeast Alaska from the loss of the surcharge income, which funds the raising and rearing of over \$1.4 million chinook salmon and hundreds of thousands of coho smolt at release sites targeted to benefit sport anglers in Southeast Alaska inside waters. Losing this level of funding to support existing enhancement activities will be detrimental to Southeast Alaska sport anglers and charter operators, which have already been highly impacted by lack of out-of-state travelers due to COVID travel restrictions.

[9:26:50 AM](#)

Commissioner Vincent-Lang continued to read from prepared remarks:

It will also allow us to address deferred maintenance issues at the Crystal Lake hatchery in Southeast Alaska, which is state-owned, but operated by PNP partner. This hatchery is the backbone to the sportfish hatchery program in Southeast Alaska. To

address these issues, we worked with user groups across Alaska to propose a new, but reduced surcharge that would be used to support hatchery maintenance and support continued nonprofit hatchery operations in Southeast Alaska without impacting other important work currently underway and funded by the Fish and Game Fund.

This legislation reinstates a reduced surcharge to support hatchery maintenance and nonprofit hatchery operations in Southeast Alaska. A reduction of what was being collected by \$5.00 across the board. This leaves residents with a \$4.00 surcharge and nonresidents contributing the lion's share, four or five times what residents contribute. The proposed surcharge would be a 60 percent reduction for residents and an overall 34 percent from the original surcharge fee.

In your packets you will see a license fee breakdown for both residents and nonresidents. If this legislation passes, the department proposes to again collect the surcharge and deposit it into a separate subaccount within the Fish and Game Fund to be accounted for and used only for the state's sportfish enhancement programs and sportfish facilities and to continue to support enhancement activities in Southeast Alaska. Again, recognizing these anglers pay the surcharge, yet are not serviced by the two sportfish hatcheries. We would use the generated funds as match to incoming federal DJ funds, thereby increasing our purchasing power by 75 percent as federal DJ funds can be matched 3 to 1.

House Fisheries amended this bill to add an additional \$2.50 surcharge to fund work related to fisheries management, fisheries research, invasive species management, and habitat restoration. This language is broad enough in my opinion to cover improvement of access for sport fishermen. It also requires separate accounting of these additionally collected funds. As you can see from the fact sheet in your packages, the overall sportfish enhancement programs released nearly 7.2 million fish in nearly 270 locations annually. That in addition to the 1.4 million that are released in Southeast Alaska would provide thousands of anglers

with additional fishing opportunities, providing a large economic boost to Southeast Alaska businesses.

Again, I want to thank you for the opportunity to come and present this bill. I urge your support for this important legislation and am willing to answer any questions you may have. If the committee would like, Ms. Hanke is prepared to go over a sectional analysis.

Co-Chair Merrick asked to hear from Ms. Hanke.

[9:29:25 AM](#)

RACHEL HANKE, LEGISLATIVE LIAISON, DEPARTMENT OF FISH AND GAME (via teleconference), reviewed a sectional analysis (copy on file):

Section 1

Adds new section AS 16.05.130(h) which creates a new sub-account of the fish and game fund called the sport fishing enhancement account. This section also restricts the use of the sub-account to maintenance and operations of sport fishing hatchery facilities, sport fishing stock enhancement, fisheries research and management, invasive species management, and habitat restoration.

Section 2

Conforming amendment to reference new section.

Section 3

Adds new section AS 16.05.340(l) which establishes the new sport fishing license surcharge fee schedule.

Section 4

Effective date July 1, 2021.

[9:30:41 AM](#)

Representative Carpenter stated his understanding that the bill would create a new sportfish hatchery fund. He asked if the department was concerned there could be constitutional issues associated with the creation of the fund.

Commissioner Vincent-Lang replied that the department was not concerned. He elaborated that DFG had the subaccount

established to repay the bonds. He stated that DFG did not see any constitutional issues with recreating the subaccount to deal with the hatchery maintenance.

Representative Carpenter asked if the new fund would be dedicated to sportfish hatchery issues only.

Commissioner Vincent-Lang answered in the affirmative. He explained that the Fish and Game Fund needed to be used to benefit the license fee holders. He explained that it was one of the state's few dedicated funds because it had been approved by the voters. He relayed that the funds would only be used to benefit hatcheries providing sportfishing including the Ruth Barnett and William Jack Hernandez hatcheries. Additionally, because the state-owned Crystal Lake hatchery was used for Southeast Alaska, the fund would be used to pay for its deferred maintenance as well.

Representative Carpenter asked for the department's perspective on the \$2.50 increase included in the governor's original legislation.

Commissioner Vincent-Lang answered that the department supported the governor's legislation as written. He stated he would leave it to the committee and legislature to decide whether or not to add into the surcharge. He explained there was a call for additional funding for things the department could not currently provide such as invasive species management and other things that legislators in the House Fisheries Committee saw a need to provide a funding source for.

Representative Carpenter asked why the funding had not been rolled into the normal ongoing maintenance. He asked why the need was being dealt with in a special way.

Commissioner Vincent-Lang replied that DFG could probably deal with the hatchery maintenance costs with Fish and Game Fund revenue derived from license fees; however, the revenues were already spoken for in terms of how Dingle Johnson funds were matched. He explained that it meant the department would likely have to cut something else in order to pay for the maintenance. He relayed that DFG worked with user groups to try to find a way to deal with the deferred maintenance costs without asking for undesignated general funds (UGF). He reported the department had received general support for establishing a smaller surcharge.

9:33:54 AM

Representative LeBon referred to Section 1 of the bill that referenced maintenance and operations of sportfishing hatchery facilities. He understood the need to maintain investments over time and had no problem with that. He asked how the money would be used for invasive species management and habitat restoration.

Commissioner Vincent-Lang answered that the inclusion of invasive species management and habitat restoration had been added by the House Fisheries Committee. He believed the committee had an interest in dealing with invasive species. He explained there had been a bill in the committee to fund an invasive species council to look at the regulatory authorities the department had and may need to deal with invasive species. He elaborated that the committee saw HB 80 as an avenue towards providing some funding short of using UGF. In terms of other work on associated fisheries management and research, he believed the committee saw a need to evaluate the impact of stocking programs on wild stock. He stated it was some of the fisheries research the funding could be used for. He thought there was a desire by some legislators to look at ways of allowing access to stock fisheries through some type of non-boating access program.

Representative LeBon asked Commissioner Vincent-Lang to elaborate on the definition of invasive species. He asked if invasive species were strictly living and breathing or if there were other examples.

Commissioner Vincent-Lang answered that it was an ongoing question currently under debate. He elaborated that it had been relatively easy to define an invasive species as something that was not indigenous to the area; however, with climate change, species were moving naturally. He explained that the department was not concerned about a species that was not having deleterious effects. In terms of prioritization, DFG was looking at species moving into Alaska non-naturally that were having deleterious effects on species that were important economically or for subsistence purposes.

Representative LeBon referred to invasive plants in Interior lakes that were not natural to Alaska. He

explained that the plant was impacting the use of lakes, including fishing. He asked for comment from the commissioner.

Commissioner Vincent-Lang answered that Representative LeBon was referring to Elodea, which was a concern and was a responsibility DFG shared with the Department of Natural Resources. He reported the state had several active Elodea programs, but the departments were struggling with finding ways to fund the programs into the future. He believed the House Fisheries Committee saw HB 80 as an opportunity to provide some funding for the programs.

Representative LeBon asked if a portion of the funds raised as a result of the bill would be used for invasive species work.

Commissioner Vincent-Lang answered that the \$2.50 surcharge added by the House Fisheries Committee would go to a separate subaccount to be used for the specific purposes - including invasive species management - outlined in an amendment passed by the committee.

[9:37:55 AM](#)

Representative Wool stated his understanding that in the past there had been a \$9.00 surcharge to pay for a bond to build some hatcheries. He observed that the bond was paid off, but money was needed to maintain the hatcheries, which he imagined DFG had calculated when the hatcheries had been built. He looked at the resident sportfishing category and observed that at one point the surcharge had been reduced to \$4.00 and increased to \$6.50. He remarked that a \$2.50 increase had been added by the House Fisheries Committee to help with invasive species. He asked if his statements were correct.

Commissioner Vincent-Lang answered that the surcharge had ended when the bond had been paid off. The current question facing the department was how to pay for the long-term deferred maintenance on the 15 to 20-year-old hatcheries. The department had worked with user groups to identify a way to reduce the surcharge and have a fund to dip into to pay for the long-term deferred maintenance. He noted that the House Fisheries Committee had added an additional \$2.50 to deal with other issues.

Representative Wool observed that if another \$2.50 were added [above the \$2.50 added by the House Fisheries Committee] it would mean the residential sportfish surcharge would be back at \$9.00. He noticed that the nonresident increase was \$40 and \$4.00 for residents. He noted that the \$2.50 added by the House Fisheries Committee was applied equally to nonresident and residents. He believed it was a much larger percentage of residential sportfishing as opposed to nonresidential. He thought it seemed disproportionate. He asked for comments from the commissioner.

Commissioner Vincent-Lang corrected an earlier statement by Representative Wool. He clarified that the resident surcharge used to be \$9.00. The department had proposed a new surcharge of \$4.00 and \$2.50 had been added. He stated that the surcharge under the legislation was \$6.50, not \$9.00. He remarked that it was still a reduction. He confirmed that the House Fisheries Committee had added the \$2.50 surcharge to all licenses regardless of the residency type.

Representative Wool understood the surcharge as proposed was \$6.50. He observed that if another \$2.50 were added, the fee would be back up to \$9.00. He speculated that since \$2.50 had been added for invasive species, another \$2.50 could ostensibly be added for another purpose. He remarked it appeared that a much larger percentage of the revenue was from nonresidents. He asked if nonresidents were consuming more of the hatchery sportfish. He remarked on Commissioner Vincent-Lang's earlier statement that about 80 percent of licensing revenue came from nonresidents. He pointed out that nonresidents were charged much more. He reasoned nonresidents did not account for 80 percent of the licenses, they were just charged much more. He asked if the department knew what percentage of a sport fishery was consumed by instate and out-of-state.

Commissioner Vincent-Lang answered that he could follow up with the numbers. He relayed that in general terms most fishery resources were consumed by residents, but nonresidents paid the largest portion of the contribution to the Fish and Game Fund.

[9:41:39 AM](#)

Representative Carpenter asked how much would be raised by the \$2.50 increase [added by the House Fisheries Committee].

Commissioner Vincent-Lang replied that he would follow up with the information.

Representative Carpenter thought it would be interesting to know what a \$1 increase would generate as well.

Commissioner Vincent-Lang replied that the department would follow up with the numbers.

Representative Josephson highlighted the greater cost associated with out-of-state nonresident fees shown in spreadsheets in members' packets [note: one spreadsheet from DFG labeled "Surcharge Revenue Breakdown," updated April 4, 2021 (copy on file)]. He thought of HB 79 and observed that the interconnection appeared to be the question of whether a larger fee could have been imposed on freshwater and saltwater guides from out-of-state.

Commissioner Vincent-Lang explained that DFG had tried to separate the issues. He elaborated that the saltwater logbook program had been used to collect data from saltwater charter boat fishing; therefore, DFG tried to keep the fee associated with the charter boat operators. He detailed that HB 80 was more general and supported hatchery programs benefitting residents and nonresidents throughout the state. He noted there were businesses impacted by the saltwater charter logbook program. The goal for HB 80 was to make the surcharge more generally placed across residents and nonresidents. He relayed that DFG had followed the structure from the original bond repayment in terms of what the department could collect from nonresidents versus residents according to a lawsuit that provided guidance. He added that most of the burden of the hatchery long-term maintenance would be placed on nonresidents.

[9:44:19 AM](#)

Representative Josephson had spent a lot of time looking at the governor's vetoes in the past couple of years. He noted that DFG had suffered numerous vetoes to commercial fisheries appropriations, particularly in 2019. He asked if

the surcharges were meant in any way to solve the problem caused by the vetoes.

Commissioner Vincent-Lang replied in the negative. He explained that the bill was a way for DFG to look at funding long-term deferred maintenance, realizing that UGF funds were tight. The idea was to fund the cost with user fees, which the department had found to be generally acceptable when it had spoken to people. In terms of the logbook program [in HB 79], the department had obligations under two treaties and was trying its best to seek federal funds. The department understood that UGF funds were tight, and it had worked with the industry to find a way to self-fund the important work. He added that the industry understood the value of the work because the department had been able to relax salmon limits in Southeast and halibut limits in 3A and 2C that brought additional business to businesses hurt hard by COVID.

HB 80 was HEARD and HELD in committee for further consideration.

Co-Chair Merrick thanked the presenters. She reviewed the agenda for the afternoon.

Representative Thompson asked Co-Chair Foster about some clarification on the when the budget committee substitute (CS) would be released. He wondered about the amendment timeline and asked if there would be a meeting on Saturday.

Co-Chair Foster replied that the original intent had been to roll out the CS the previous day and give committee members two days to write amendments. He did not want to spring it on anyone. He had planned to take up amendments later in the week, but it had all changed while trying to figure out what to do with the American Rescue Plan Act (ARPA) money. He shared that the Legislative Finance Division had communicated they could get the committee a proposal later in the week outlining what the money could and could not be used for. He was hopeful the CS could be out the following week. He wanted to give members enough time to review the CS and have time to write amendments.

Representative Thompson thanked Co-Chair Foster for the information.

[9:48:28 AM](#)

Vice-Chair Ortiz asked about the potential of meeting the coming Saturday.

Co-Chair Foster answered that he did not have any plans on meeting the coming Saturday.

Co-Chair Merrick had no plans for meeting the coming Saturday.

Co-Chair Merrick reviewed the agenda for the afternoon.

#

ADJOURNMENT

[9:49:28 AM](#)

The meeting was adjourned at 9:49 a.m.